

CLASSIFICATION SECRET
CENTRAL INTELLIGENCE AGENCY REPORT NO.
INFORMATION REPORT CD NO
REPORT

COUNTRY East Germany
SUBJECT Situation in the SED

DATE DISTR 26 March 1954

NO. OF PAGES 1

NO. OF ENCLS
LISTED BELOWSUPPLEMENT TO
REPORT NO25X1
PLACE
ACQUIREDDATE OF
INFO

25X1

THIS IS UNEVALUATED INFORMATION

1. SED members in various industrial enterprises of East Berlin showed a high degree of corruption in awarding each other money bonuses and premiums in kind without any justification. Most of these bonuses were awarded in recognition of ideological reliability or great activity in political indoctrination. Workers and employees of the enterprises involved were disgusted at this corruption.

2. A member of the State Control Commission, a bank expert and member of the LDP, commented on this corruption and stated that it could only be explained by the fact that many SED functionaries were expecting the speedy end of their regime and were therefore trying to exploit the present situation as much as possible. In this connection [redacted] a lot of parties were being given by industrial enterprises, administrative agencies and various organizations. Previously, the members of the State Control Commission had to see to it that the strictest economy was observed by everybody. Now money would be wasted by all agencies and this resulted in a flood of feasts and banquets which do not agree with the original line of Marxism and Leninism. [redacted] 25X1

3. [redacted] Dr. Hans Loch, East German Finance Minister, on this situation mentioned that the SED representatives were throwing money away and enjoyed themselves at the expense of the public, the Finance Minister, allegedly, replied, "Whom do you tell that." The Finance Minister also added that it had become general knowledge that for weeks Semenov had not received their top ranking functionaries unless representatives of the so-called bourgeois parties were present. [redacted] 25X1

4. [redacted] Dr. Lothar Bolz once mentioned in party circles that Semenov refused to receive representatives of the SED Central Committee shortly before Christmas 1953. This hostility on the side of Semenov toward the SED was attributed to Max Reimann who had told Semenov that the stupid and non-German policies of the SED would offend the bulk of the German electorate and that these policies had greatly contributed to Dr. Adenauer's overwhelming victory in last September. Dr. Josef Wirth, ex-chancellor of the Weimar Republic, had allegedly voiced the same complaints vis-a-vis Semenov. Dr. Wirth also stated in Moscow in a very blunt way that his policy and that pursued by the SED were worlds apart. Semenov, allegedly, reacted to these complaints by a pronounced distrust of the SED ministers. On the other hand, he is frequently displeased with the lack of initiative shown by the bourgeois ministers of the East German Government vis-a-vis the SED.

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